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TRANSMITTAL OF APPEAL BRIEF (Small Entity)

Docket No.  
99-030

In Re Application Of: PACKES, JR., et al.

Application No.	Filing Date	Examiner	Customer No.	Group Art Unit	Confirmation No.
09/409,041	September 29, 1999	CUFF, Michael A.	22927	3625	4801

Invention:

SYSTEMS AND METHODS TO PROVIDE A PRODUCT TO A CUSTOMER BEFORE A FINAL TRANSACTION TERM VALUE IS ESTABLISHED

COMMISSIONER FOR PATENTS:

Transmitted herewith in triplicate is the Appeal Brief in this application, with respect to the Notice of Appeal filed on:

☒ Applicant claims small entity status. See 37 CFR 1.27

The fee for filing this Appeal Brief is: \$250.00

- ☐ A check in the amount of the fee is enclosed.
- ☒ The Director has already been authorized to charge fees in this application to a Deposit Account.
- ☒ The Director is hereby authorized to charge any fees which may be required, or credit any overpayment to Deposit Account No. 50-0271
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Signature

Dated: April 1, 2005

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Application No. 09/409,041	Filing Date September 29, 1999	Examiner CUFF, Michael A.	Customer No. 22927	Group Art Unit 4801

Invention: **SYSTEMS AND METHODS TO PROVIDE A PRODUCT TO A CUSTOMER BEFORE A FINAL TRANSACTION TERM VALUE IS ESTABLISHED**

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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Appellants: John M. Packes, Jr., Jay S. Walker, Daniele E. Tedesco, Stephen C. Tulley and Keith Bemmer )  
Group Art Unit: 3625 )  
Examiner: CUFF, Michael A. )  
**APPEAL BRIEF** )  
Application No.: 09/409,041 )  
Attorney Docket No. 99-030 )  
Filed: September 29, 1999 )  
For: SYSTEM AND METHODS TO )  
PROVIDE A PRODUCT TO A )  
CUSTOMER BEFORE A )  
FINAL TRANSACTION TERM )  
VALUE IS ESTABLISHED )

**BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Dear Sir:

Appellants hereby appeal to the Board of Patent Appeals and Interferences from the decision of the Examiner in the Final Office Action mailed June 15, 2004, rejecting Claims 1-5, 12-27, 29, 31-35, 38-42 and 53-56.

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**REAL PARTY IN INTEREST**

The present application is assigned to Walker Digital, LLC, Five High Ridge Park, Stamford, CT 06905.

## **RELATED APPEALS AND INTERFERENCES**

Appellants, Appellants' legal representative and Appellants' assignee know of no interferences or appeals that will directly affect, be directly affected by, or have a bearing on the Board's decision in the pending appeal.

## **STATUS OF CLAIMS**

Claims **1-5, 12-27, 29, 31-35, 38-42** and **53-56** are rejected and are being appealed.

Claims **6-11, 28, 30,** and **36-37** are cancelled.

Claims **43-52** have been withdrawn.



## **STATUS OF AMENDMENTS**

No Amendments were filed subsequent to the final rejection of Claims **1-5, 12-27, 29, 31-35, 38-42** and **53-56** in the Final Office Action mailed November 4, 2004.

## **SUMMARY OF CLAIMED SUBJECT MATTER**

Concise explanations of the independent claims are provided below. The summaries include sufficient information about the claimed subject matter so that an informed review of the Examiner's adverse determination of patentability can be made.

As required by 37 C.F.R. § 41.37(c)(1)(v), reference is made to the Specification. Any such reference:

- (i) is by way of example of the claimed subject matter only;
- (ii) is to be considered as potentially useful in clarifying the particular subject matter of the particular independent claim being explained (and not other claims or "the invention" as a whole), unless explicitly stated otherwise; and
- (iii) is not to be considered as broadening or narrowing the scope of any recited term from its meaning to one of ordinary skill in the art, unless explicitly stated otherwise.

Claims 1, 12, 26, 31, 34, 38 - 42 and 53 are independent.

### **1. Summary of the Independent Claims**

#### **a. Independent Claims 1, 12, 26, 31, 34, and 38 - 42**

The Independent claims recite a method that allows a buyer to take possession of a product before a final price for the product has been established. For some examples of allowing a buyer to take possession of a product before a final price for the product has been established, see

Specification, page 6, line 23 to page 7, line 4; FIG. 1A (120, 160); FIG. 1B (125, 126).

The customer is to provide payment of a final price of the product at the end of the period of time, the final price being either the default price or an override price that is received before the end of the period of time. For some examples of providing an override price, see Specification, page 6, lines 27-31, FIG. 1A (140), FIG. 1C (141-148).

A final price for the product is determined and, at the end of the period of time, a sale of the product is completed using the final price as a term of the sale by charging the final price to the customer. For examples of determining a final sale price, see Specification, page 6 line 31 to page 7, line 4, page 10, lines 9-21, FIG. 1A (160), FIG. 1C (141-148).

**b. Independent Claim 53**

Independent Claim 53 recites a method similar to the previously described independent claims. However, Claim 53 differs in that the method describes the process at the server. For some examples of the server, see Specification, page 3, lines 23 – 32.

Claim 53 that recites a method that allows a buyer to take possession of a product before a final price for the product has been established. Claim 53 provides *receiving transaction information related to a customer who takes possession of a product from a seller before a final price for the product has been determined, the customer taking possession of the product subject to an agreement*. For some examples of receiving transaction information and allowing a buyer to take possession of a product before a final price for the product has been established, see Specification, page 6,

line 23 to page 7, line 4; page 7 line 25 to page 8, line 20, FIG. 1A (120, 160); FIG. 1B (121, 122, 125, 126).

*Charging, at the end of the period of time, an account associated with the customer an amount based on the final price.* For some examples of charging a final sale price at the end of the period of time, see Specification, page 8, lines 12-17, FIG. 1A (160), FIG. 1C (141-148).

*The final price is either the default price or an override price that is received before the end of the period of time.* For examples of override prices, see Specification, page 6 line 31 to page 7, line 4, page 10, lines 9-21, FIG. 1A (160), FIG. 1C (141-148).

## **GROUND OF REJECTION TO BE REVIEWED ON APPEAL**

Whether claims **1-5, 12-17, 29, 31-35, 38-42** and **53-56** are obvious under 35 U.S.C. § 103(a) in light of U.S. Patent No. 5,873,069 issued to Reuhl et al. (hereinafter “Reuhl”) in view of U.S. Patent No. 5,642,279 issued to Bloomberg et al. (hereinafter “Bloomberg”).

## ARGUMENTS

### 1. Summary of Arguments

First, even if Reuhl disclosed the teachings asserted by the Examiner, the evidence of record lacks any teaching, suggestion, or motivation to combine the references in the manner suggested by the Examiner to produce the specific features of the claimed invention.

Second, even if the evidence of record supported the Examiner's purported motivation to combine the references in the manner suggested, the resulting combination would fail to teach or suggest the specific features of the claimed invention. Any combination or modification of the references would fail to teach or suggest the invention as claimed.

For example, the references, even if combinable, fail to suggest the following limitations of the independent claims:

*wherein the customer is to provide payment of a final price of the product at the end of the period of time, the final price being either the default price or an override price that is received before the end of the period of time*

(independent claims 1, 12, 26, 31, 34, 38 - 42 and 53).

Accordingly, the rejections are inappropriate and Appellants respectfully request that the rejections be reversed.

### 2. Form of Appeal Brief

In the arguments herein, limitations of the claims are indicated in *italics* and the references of record are indicated by underlining.

In separate arguments of patentability of different Groups of claims, Appellants have, where possible, referred to prior arguments to avoid undue repetition.

In the arguments below, Appellants refer to:

- **Third Office Action:** Final Office Action mailed November 4, 2004;
- **Appellants' Fourth Response:** Response to **Third Office Action**, mailed July 22, 2004 (Paper No. 22).

### **3. Section 103(a) Rejection**

Claims **1-5, 12-27, 29, 31-35, 38-42** and **53-56** stand rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,873,069 issued to Reuhl et al. (hereinafter "**Reuhl**") in view of U.S. Patent No. 5,642,279 issued to Bloomberg (hereinafter "**Bloomberg**").

Claims **1-2, 4-5, 12-16, 18-20, 22-27, 29, 31-35, 38-42, 53,** and **55-56** are argued as a separate group (GROUP I).

Claims **3, 17** and **56** are argued as a separate group (Group II)

Claim **21** is argued as a separate group (Group III)

Claim **54** is argued as a separate group (GROUP IV).

#### **3.1. GROUP I: Claims 1-2, 4-5, 12-16, 18-20, 22-27, 29, 31-35, 38-42, 53, and 55-56**

GROUP I includes claims **1-2, 4-5, 12-16, 18-20, 22-27, 29, 31-35, 38-42, 53,** and **55-56**. These claims are rejected under Section 103(a) as being unpatentable under **Reuhl** in view of **Bloomberg**. Claims **1, 12, 26, 31, 34, 38-42** and **53** are independent.

Claims **2,** and **4-5** are dependent from Claim **1**. Claims **13-16, 18-20,** and **22-25** are dependent from claim **12**. Claims **27,** and **29** are dependent from claim **26**. Claims **32** and **33** are dependent from Claim **31**. Claim **35** is dependent from Claim **34**. Claims **55** and **56** are dependent from Claim **53**.

The rejection of GROUP I is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has consistently ignored the claim limitation *wherein the customer is to provide payment of a final price of the product at the end of the period of time, the final price being either the default price or an override price that is received before the end of the period of time*;
- The Examiner has failed to provide substantial evidence for a motivation to combine or modify the references in the manner suggested.

Independent claims **1, 12, 26, 31, 34, 38-42** in GROUP I contain the following limitation:

*wherein the customer is to provide payment of a final price of the product at the end of the period of time, the final price being either the default price or an override price that is received before the end of the period of time.*

Independent claim **53** of GROUP I contains the following limitations:

*wherein the agreement defines that the customer is to provide payment of the final price of the product at the end of the period of time, the final price being either the default price or an override price that is received before the end of the period of time.*

### **3.1.1 No Prima Facie Showing of Obviousness of the Claims of GROUP I**

A reading of the rejections of the claim of GROUP I reveals that the Examiner has consistently ignored or unreasonably interpreted the limitations of the claims. A limitation is not disclosed or suggested by the references of record. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of the claims of GROUP I.



### **3.1.2 The Proper Legal Standard under 35 U.S.C. § 103(a)**

The Examiner bears the burden of establishing a prima facie case of obviousness based upon the prior art. In re Fritch, 23 U.S.P.Q.2D 1780, 972 F.2d 1260, 1265 (Fed. Cir. 1992). To reject claims in an application under Section 103, an examiner must show an un rebutted prima facie case of obviousness. In re Rouffet, 47 U.S.P.Q.2D 1453, 149 F.3d 1350, 1355 (Fed. Cir. 1998). If examination at the initial stage does not produce a prima facie case of unpatentability, then without more the applicant is entitled to grant of the patent. In re Oetiker, 24 U.S.P.Q.2D 1443, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

The factual predicates underlying an obviousness determination include the scope and content of the prior art, the differences between the prior art and the claimed invention, and the level of ordinary skill in the art. In re Rouffet. The secondary considerations are also essential components of the obviousness determination. In re Rouffet.

In order to rely on a reference as a basis for rejection of the applicant's invention, the reference must either be in the field of the applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the inventor was concerned. In re Oetiker, 24 U.S.P.Q.2D 1443, 977 F.2d 1443, 1447 (Fed. Cir. 1992).

When a rejection is based on a combination of references, the Examiner can satisfy the prima facie burden only by showing some objective teaching leading to the purported combination of references. In re Fritch. Lacking a motivation to combine references, there is no prima facie case of obviousness. In re Rouffet, 47 U.S.P.Q.2D 1453, 149 F.3d 1350, 1355 (Fed. Cir. 1998).

Finally, during examination, claims are given their broadest reasonable interpretation consistent with the specification. In re Hyatt, 54 U.S.P.Q.2D 1664, 211 F.3d 1367 (Fed. Cir. 2000). The “PTO applies to verbiage of the proposed claims the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in applicant’s specification.” In re Morris, 44 U.S.P.Q.2D 1023, 127 F.3d 1048, 1054-55 (Fed. Cir. 1997).

### **3.1.3 Substantial evidence is required of all factual findings**

In a determination of obviousness, factual findings as to scope and content of the prior art, level of ordinary skill in the art, differences between the claimed invention and the prior art, and secondary considerations of nonobviousness must be supported by substantial evidence. Novamedix Distrib. Ltd. v. Dickinson, 175 F. Supp. 2d 8, 9 (D.D.C. 2001).

"[D]eficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense.'" In re Zurko, 59 U.S.P.Q.2D 1693, 258 F.3d 1379, 1385 (Fed. Cir. 2001); In re Lee, 61 U.S.P.Q.2D 1430, 277 F.3d 1338, 1344 (Fed. Cir. 2002).

Moreover, where a conclusion of obviousness rests on the prior knowledge in the field of the invention, then that "[p]rior knowledge in the field of the invention must be supported by tangible teachings of reference materials." Cardiac Pacemakers, Inc. v St. Jude Medical, Inc., 381 F.3d 1371 (Fed. Cir. 2004).

### **3.1.4 Absent substantial evidence, no prima facie case exists**

To reject claims in an application under Section 103, an examiner must show an un rebutted prima facie case of obviousness. In re Rouffet, 47 U.S.P.Q.2D 1453, 149 F.3d 1350, 1355 (Fed. Cir. 1998).

The initial burden of presenting a prima facie case of obviousness is upon the examiner. In re Oetiker, 24 U.S.P.Q.2D 1443, 977 F.2d 1443, 1445 (Fed. Cir. 1992). If the examiner fails to establish a prima facie case, the rejection is improper and will be overturned. In re Rijckaert, 28 U.S.P.Q.2D 1955, 9 F.3d 1531, 1532 (Fed. Cir. 1993); Novamedix Distrib. Ltd. v. Dickinson, 175 F. Supp. 2d 8, 9 (D.D.C. 2001).

If examination at the initial stage does not produce a prima facie case of unpatentability, then without more the applicant is entitled to grant of the patent. In re Oetiker, 24 U.S.P.Q.2D 1443, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

### **3.1.5 No showing of a proper motivation to combine the references**

The Examiner rejected the claims of GROUP I as unpatentable over Reuhl in view of Bloomberg. The motivation provided by the Examiner is that

Based on the teaching of Bloomberg et al., it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to modify the active price of Reuhl et al. to incorporate the price protections sytem of Bloomberg et al. in order to increase sales.

[Fourth Office Action, page 3].

The Examiner simply has not shown a motivation in the prior art of record to modify or combine the references in the manner proposed by the Examiner, or in any other manner that renders the claims obvious. In

summary, this "motivation" is not found in any reference of record, and in any event would not have actually prompted the combination proposed by the Examiner.

### Applicable Law

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. In re Fine, 5 U.S.P.Q.2d 1596, 837 F.2d 1071 (Fed. Cir. 1988); In re Jones, 21 U.S.P.Q.2d 1941 (Fed. Cir. 1992). Prior knowledge in the field of the invention must be supported by tangible teachings of reference materials, and the suggestion to combine references must not be derived by hindsight from knowledge of the invention itself. Cardiac Pacemakers v. St. Jude Medical 381 F.3d 1371, 1376 (Fed. Cir. 2004). Furthermore, particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed. In re Kotzab, 55 U.S.P.Q.2D 1313, 217 F.3d 1365, 1371 (Fed. Cir. 2000).

A finding of obviousness requires that the art contain something to suggest the desirability of the proposed combination. In re Grabiak, 226 U.S.P.Q. 870, 769 F.2d 729, 732 (Fed. Cir. 1985). In the absence of such a showing, there is inadequate support for the position that the proposed modification would prima facie have been obvious. Id. The absence of such a suggestion to combine is dispositive in an obviousness determination. Gambro Lundia AB v. Baxter Healthcare Corp., 42 U.S.P.Q.2D 1378, 110 F.3d 1573, 1579 (Fed. Cir. 1997).

When the art in question is relatively simple, the opportunity to judge by hindsight is particularly tempting. Consequently, the tests of whether to combine references need to be applied rigorously. McGinley v. Franklin Sports, Inc., 60 U.S.P.Q.2D 1001, 262 F.3d 1339, 1352 (Fed. Cir. 2001). In each case the factual inquiry whether to combine references must be thorough and searching. Id., at 1352 - 53.

No Substantial Evidence of a Motivation to Combine

The Examiner has asserted that:

Based on the teaching of Bloomberg et al., it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to modify the active price of Reuhl et al. to incorporate the price protection system of Bloomberg et al. in order to increase sales.

[Fourth Office Action, page 3].

The Examiner has also asserted that:

In business, increasing sales is usually a good thing. There are many forms of sales incentives. Reuhl shows a pricing tool based on many different rules and parameters. Bloomberg teach [sic] a specific pricing rule, price protection. It would have been obvious to one of ordinary skill in the business art to incorporate additional pricing rule methods in order to provide more options based on the business environment. Note that the goal of most of the pricing rule methods, including incentives, is to increase sales.

[Fourth Office Action, page 4]. However, the Examiner has not shown that the references would prompt one of ordinary skill in the art to combine the references in the manner suggested by the Examiner to provide for the claimed feature of *wherein the customer is to provide payment of a final price of the product at the end of the period of time, the final price being*

*either the default price or an override price that is received before the end of the period of time.*

For example, even if the prior art did teach one of ordinary skill in the art that "increasing sales is usually a good thing", that would not mean that *all manners* of increasing sales would be obvious. Yet, that is exactly what the Examiner asserts: that it would have been obvious "to incorporate additional pricing rule methods in order to provide more options".

"Recognition of a need does not render obvious the achievement that meets that need. There is an important distinction between the general motivation to cure an uncured disease (for example, the disease of multiple forms of heart irregularity), and the motivation to create a particular cure." Cardiac Pacemakers, Inc. v St. Jude Medical, Inc., 381 F.3d 1371, 72 USPQ2d 1333, 1337 (Fed. Cir. 2004).

Finally, the Examiner has not indicating any reasoning why one of ordinary skill in the art would have looked to Reuhl based on the teachings of Bloomberg, or vice versa. The vague assertion that the combination would "provide more options based on the business environment" clearly does not mean that the prior art motivated this particular combination.

Moreover, the Examiner has also failed to resolve (or even identify) the level of ordinary skill in the pertinent art as required by the Supreme Court. Graham v. John Deere Co., 383 U.S. 1, 17 (1966). Having failed to resolve the level of ordinary skill in the art in the record, Appellants asseverate that the Examiner is unable to determine "would have been obvious to one of ordinary skill in the business art" at the time of the invention.

Thus the Examiner has not shown a motivation in the prior art of record to combine the references in any manner that renders the claims of GROUP I obvious. The rejection fails for at least this reason.

**3.1.6 Any Combination of the References Fails to Teach All  
of the Limitations of Group I**

Even if the Examiner had established substantial evidence of a motivation to make the proposed combination of Reuhl and Bloomberg (which Appellants dispute above), the Examiner has failed to provide substantial evidence of a motivation to modify that combination to provide for the features *wherein the customer is to provide payment of a final price of the product at the end of the period of time, the final price being either the default price or an override price that is received before the end of the period of time.*

In fact, even if the references were combined in the manner suggested (let alone any other manner that the Examiner failed to suggest), the proposed combination would fail to teach *wherein the customer is to provide payment of a final price of the product at the end of the period of time, the final price being either the default price or an override price that is received before the end of the period of time.* As stated in Appellants' Fourth Response page 18:

Reuhl describes a financing plan that allows a customer to obtain a product before providing any payment therefore (the financing plan may allow the customer to pay 0% down and make no payments or interest until a specified date). Col. 14, lines 24 – 31. However, the final price for the product is determined at the point-of-sale before the product is conveyed to the customer. Col. 4, lines 51 – 56; Col. 10, line 54 – Col. 11, line 24; Col. 14, lines 36 – 51. The customer may merely put off paying the final price, not the determination of the final

price. Bloomberg describes that, *after a customer provides payment* for, and takes possession of, a product, the customer may be provided with a rebate (i.e., some portion of the payment provided by the customer is returned to the customer). Col. 2, lines 28 – 31. A rebate is a return of a portion of a payment provided. A rebate feature thus inherently requires payment to be made before the rebate is provided. Thus, Reuhl describes conveying a product to a customer before a customer provides payment therefore and Bloomberg describes providing a rebate to a customer after the customer provides payment therefore. **Adding the rebate feature of Bloomberg to Reuhl would thus result, at most, in a system wherein a customer obtains a product before providing payment therefore, the customer provides the payment at the end of a period of time defined by a financing plan, and the customer receiving a rebate after providing the payment.** The combination of Bloomberg and Reuhl would thus not teach one of ordinary skill in the art of determining a final price for a product after the product is conveyed to the customer and before the customer provides any payment for the product.

(Emphasis added).

As Appellants stated previously, the Examiner's proposed combination of the references fail to teach the limitation of Group I as claimed. Further, Appellants assert than any other combination of the references of record also fail to teach or suggest the limitation as claimed. Thus the Examiner has not shown a motivation in the prior art of record to combine the references in any manner that renders the claims of GROUP I obvious. The rejection fails for at least this reason.

Accordingly, for at least those reasons, the claims of GROUP I are patentable.



## SEPARATE ARGUMENTS OF PATENTABILITY

### **3.2 GROUP II: Dependent Claims 3, 17, and 56**

- GROUP II includes Claims 3, 17 and 56. These claims are rejected under Section 103(a) as being unpatentable under Reuhl in view of Bloomberg. Claims 3, 17 and 56 are dependent upon independent claims of GROUP I and are patentable for at least the same reasons argued above.

The rejection of GROUP II is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has ignored the limitations of claims 3, 17 and 56;
- the Examiner has failed to provide substantial evidence of a motivation to combine or modify the references suggested;

#### **3.2.1 No Prima Facie Showing of Obviousness of the Claims of GROUP II**

A reading of the rejections of the claim of GROUP II reveals that the Examiner has consistently ignored or unreasonably interpreted the limitations of the claims. Several limitations are not disclosed or suggested by the references of record. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of the claims of GROUP II.

#### **3.2.2 The Proper Legal Standard under 35 U.S.C. § 103(a)**

The proper legal standard under 35 U.S.C. § 103(a) is discussed above in Section 3.1.2. The Examiner has not applied the proper legal standard to the claims of GROUP II.

Substantial evidence is required of all factual findings, as discussed in Section 3.1.3 above. As discussed in Section 3.1.4, absent substantial evidence, no *prima facie* case of obviousness exists.

### **3.2.3 No substantial evidence of the limitations of claims 3, 17 and 56**

#### **Examiner's Factual Findings**

The Examiner has made no factual findings with respect to the additional limitations recited in any of **3, 17 and 56**.

In fact, the Examiner has not asserted that either Reuhl or Bloomberg even hints at any limitation of claims **3, 17 and 56**.

#### **No Substantial Evidence of the Limitations**

The Examiner has not addressed any limitation of dependent claims **3, 17 and 56**. In fact, the Examiner has not asserted that either Reuhl or Bloomberg even hints at any limitation of claims **2-11, 15-21, 28-61, 63-84, 86, and 96-100**.

Appellants have repeatedly read both Reuhl and Bloomberg, and have found no hint that either reference teaches any limitation present in any of claims **3, 17 and 56**.

To the extent that the Examiner is relying solely upon Reuhl or Bloomberg as teaching any feature recited in claims **3, 17 and 56**, the Section 103(a) rejection cannot stand. The Examiner has failed to indicate any evidence of such features, much less substantial evidence.

Accordingly, the Examiner has failed to establish a *prima facie* case of obviousness, and Reuhl nor Bloomberg cannot support any such rejection. The rejection fails for at least this reason.

### **3.2.4 No showing of a proper motivation to combine the references**

The Examiner rejected the claims of GROUP II, claims **3, 17** and **56**, as unpatentable over Reuhl in view of Bloomberg. However, the Examiner has failed to directly address any limitation of the claims of GROUP II or assert that either Reuhl or Bloomberg even hint at any limitation of the claims of GROUP II.

The Examiner simply has not even asserted any motivation to modify or combine the references to provide for any specific recited feature, much less a motivation supported in the prior art of record.

Thus the Examiner has not shown a motivation in the prior art of record to combine the references in any manner that renders the claims of GROUP II obvious. The rejection fails for at least this reason.

Accordingly, for at least those reasons, the claims of GROUP II are patentable.

## **SEPARATE ARGUMENTS OF PATENTABILITY**

### **3.3 GROUP III: Dependent Claim 21**

- GROUP III includes Claim **21**. This claim is rejected under Section 103(a) as being unpatentable under Reuhl in view of Bloomberg. Claim **21** is dependent upon independent Claim **12** of GROUP I and is patentable for at least the same reasons argued above.

The rejection of GROUP III is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has ignored the limitations of claim **21**;

- the Examiner has failed to provide substantial evidence of a motivation to combine or modify the references suggested;

### **3.3.1 No Prima Facie Showing of Obviousness of the Claims of GROUP III**

A reading of the rejections of the claim of GROUP II reveals that the Examiner has consistently ignored or unreasonably interpreted the limitations of the claim. Several limitations are not disclosed or suggested by the references of record. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of the claim of GROUP III.

### **3.3.2 The Proper Legal Standard under 35 U.S.C. § 103(a)**

The proper legal standard under 35 U.S.C. § 103(a) is discussed above in Section 3.1.2. The Examiner has not applied the proper legal standard to the claims of GROUP III.

Substantial evidence is required of all factual findings, as discussed in Section 3.1.3 above. As discussed in Section 3.1.4, absent substantial evidence, no *prima facie* case of obviousness exists.

### **3.3.3 No substantial evidence of the limitations of claim 21**

#### **Examiner's Factual Findings**

The Examiner has made no factual findings with respect to the additional limitations recited in any of **21**.

In fact, the Examiner has not asserted that either Reuhl or Bloomberg even hints at any limitation of claims **21**.

#### **No Substantial Evidence of the Limitations**

The Examiner has not addressed any limitation of dependent claim 21. In fact, the Examiner has not asserted that either Reuhl or Bloomberg even hints at any limitation of claims 21.

Appellants have repeatedly read both Reuhl and Bloomberg, and have found no hint that either reference teaches any limitation present in claim 21.

To the extent that the Examiner is relying solely upon Reuhl or Bloomberg as teaching any feature recited in claim 21, the Section 103(a) rejection cannot stand. The Examiner has failed to indicate any evidence of such features, much less substantial evidence.

Accordingly, the Examiner has failed to establish a *prima facie* case of obviousness, and Reuhl nor Bloomberg cannot support any such rejection. The rejection fails for at least this reason.

#### **3.3.4 No showing of a proper motivation to combine the references**

The Examiner rejected the claims of GROUP III, claim 21, as unpatentable over Reuhl in view of Bloomberg. However, the Examiner has failed to directly address any limitation of GROUP III or assert that either Reuhl or Bloomberg even hint at any limitation of GROUP III.

The Examiner simply has not even asserted any motivation to modify or combine the references to provide for any specific recited feature, much less a motivation supported in the prior art of record.

Thus the Examiner has not shown a motivation in the prior art of record to combine the references in any manner that renders the claims of GROUP III obvious. The rejection fails for at least this reason.

Accordingly, for at least those reasons, the claim of GROUP III is patentable.

### **3.4 GROUP IV: Dependent Claim 54**

- GROUP IV includes Claim 54. This claim is rejected under Section 103(a) as being unpatentable under Reuhl in view of Bloomberg. Claim 54 is dependent upon independent Claim 53 of GROUP I and is patentable for at least the same reasons argued above.

The rejection of GROUP IV is flawed because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has ignored the limitations of claim 54;
- the Examiner has failed to provide substantial evidence of a motivation to combine or modify the references suggested;

#### **3.4.1 No Prima Facie Showing of Obviousness of the Claims of GROUP IV**

A reading of the rejections of the claim of GROUP IV reveals that the Examiner has consistently ignored or unreasonably interpreted the limitations of the claim. Several limitations are not disclosed or suggested by the references of record. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of the claim of GROUP III.

#### **3.4.2 The Proper Legal Standard under 35 U.S.C. § 103(a)**

The proper legal standard under 35 U.S.C. § 103(a) is discussed above in Section 3.1.2. The Examiner has not applied the proper legal standard to the claims of GROUP IV.

Substantial evidence is required of all factual findings, as discussed in Section 3.1.3 above. As discussed in Section 3.1.4, absent substantial evidence, no *prima facie* case of obviousness exists.

### **3.4.3 No substantial evidence of the limitations of claim 54**

#### **Examiner's Factual Findings**

The Examiner has made no factual findings with respect to the additional limitations recited in any of **54**.

In fact, the Examiner has not asserted that either Reuhl or Bloomberg even hints at any limitation of claims **54**.

#### **No Substantial Evidence of the Limitations**

The Examiner has not addressed any limitation of dependent claim **54**. In fact, the Examiner has not asserted that either Reuhl or Bloomberg even hints at any limitation of claims **54**.

Appellants have repeatedly read both Reuhl and Bloomberg, and have found no hint that either reference teaches any limitation present in claim **54**.

To the extent that the Examiner is relying solely upon Reuhl or Bloomberg as teaching any feature recited in claim **54**, the Section 103(a) rejection cannot stand. The Examiner has failed to indicate any evidence of such features, much less substantial evidence.

Accordingly, the Examiner has failed to establish a *prima facie* case of obviousness, and Reuhl nor Bloomberg cannot support any such rejection. The rejection fails for at least this reason.

**3.4.4 No showing of a proper motivation to combine the references**

The Examiner rejected the claims of GROUP IV, claim **54**, as unpatentable over Reuhl in view of Bloomberg. However, the Examiner has failed to directly address any limitation of GROUP IV or assert that either Reuhl or Bloomberg even hint at any limitation of GROUP IV.

The Examiner simply has not even asserted any motivation to modify or combine the references to provide for any specific recited feature, much less a motivation supported in the prior art of record.

Thus the Examiner has not shown a motivation in the prior art of record to combine the references in any manner that renders the claims of GROUP IV obvious. The rejection fails for at least this reason.

Accordingly, for at least those reasons, the claim of GROUP IV is patentable.



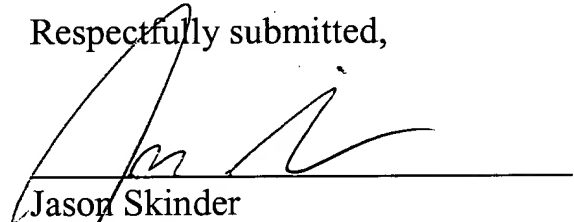
#### 4. CONCLUSION

Thus, the Examiner's rejection of the pending claims is improper at least because the Examiner has not provided a proper legal basis for rejecting any claim. Therefore, Appellants respectfully request that the Examiner's rejections be reversed.

If any issues remain, or if there are any further suggestions for expediting allowance of the present application, please contact Jason Skinder using the information provided below.

April 1, 2005  
Date

Respectfully submitted,



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## **APPENDIX A – CLAIMS**

### **CLEAN COPY OF CLAIMS INVOLVED IN THE APPEAL**

Claims 1-5, 12 - 27, 29, 31 - 35, 38 - 42 and 53 - 56 are being appealed.

Claims 1, 12, 26, 31, 34, 38 - 42 and 53 are independent.

1. A method comprising:

establishing an agreement with a customer, the agreement defining a period of time and a default price for a product,

wherein the customer is to provide payment of a final price of the product at the end of the period of time, the final price being either the default price or an override price that is received before the end of the period of time;

conveying, at the beginning of the period of time, the product to the customer;

determining, by a processor, the final price for the product,

wherein the final price is determined to be either the default price or an override price that is received before the end of the period of time; and

completing, at the end of the period of time, a sale of the product using the final price as a term of the sale by charging the final price to the customer.

2. The method of claim 1, wherein determining the final price comprises:
  - receiving a first override price;
  - comparing the first override price with the default price; and
  - setting, based upon the comparison of the first override price with the default price, the final price to be the first override price.
3. The method of claim 2, wherein said receiving a first override price comprises receiving the first override price from the customer.
4. The method of claim 2, wherein said receiving the first override price comprises receiving the first override price within the period of time.
5. The method of claim 2, wherein said receiving the first override price comprises receiving the first override price which is less than the default price.

12. A method comprising:

establishing an agreement with a customer, the agreement defining a period of time and a default price for a product,

wherein the customer is to provide payment of a final sale price of the product at the end of the period of time, the final sale price being either the default price or an override price that is received before the end of the period of time;

conveying, at the beginning of the period of time, the product to the customer before the final sale price is determined;

if a first override price is received for the product, setting, by a processor, the final sale price to the first override price;

if a first override price is not received for the product, setting, by the processor, the final sale price to a default price;

charging, at the end of the period of time, the customer for the final sale price.

13. The method of claim 12, wherein charging comprises billing the customer the final sale price.

14. The method of claim 12, wherein receiving a first override price comprises receiving a first override price within the period of time.

15. The method of claim 12, wherein receiving a first override price comprises receiving a first override price less than the default price.

16. The method of claim 12, further comprising receiving customer information including a customer identifier.

17. The method of claim 12, wherein receiving the first override price comprises receiving a first override confirmed price, comprising:
- receiving the first override price from the customer;
  - confirming the customer; and
  - confirming the first override price.
18. The method of claim 17, wherein confirming the customer comprises:
- receiving the customer identifier; and
  - comparing the received customer identifier with a stored customer identifier.
19. The method of claim 18, wherein confirming the first override price comprises:
- retrieving, from a database, prices previously confirmed for the product; and
  - comparing the first override price with at least one of the previously confirmed prices.
20. The method of claim 17, further comprising receiving competing product provider contact information associated with the first override price.
21. The method of claim 18, wherein confirming the first override price comprises contacting the competing product provider to verify the first override price.

22. The method of claim 17, wherein:

- receiving the first override price from the customer comprises
  - receiving the first override price and a competing product provider's Uniform Resource Locator (URL) address;
- confirming the customer comprises
  - receiving a customer identifier, and
  - comparing the received customer identifier with a stored customer identifier; and
- confirming the first override price comprises:
  - accessing a Web site using the received URL address, and
  - locating the first override price within the Web site.

23. The method of claim 16, wherein receiving the first override price from the customer comprises receiving an advertisement listing a competing product provider's sale price.

24. The method of claim 12, wherein receiving a first override price comprises receiving a first override price which is greater than or equal to a predefined minimum price.

25. The method of claim 16, wherein customer information further comprises payment information for identifying a payment account, the method further comprising placing a hold on funds within the payment account, the amount of which is based upon the default price.

26. A method comprising:

establishing an agreement with a customer, the agreement defining a period of time and a default price for a product,

wherein the customer is to provide payment of a final sale price of the product at the end of the period of time, the final sale price being either the default price or an override price that is received before the end of the period of time;

authorizing conveyance of a product to a customer at the beginning of the period of time and before a final sale price is determined;

if a first override price is received for the product, setting, by a processor, the final sale price to the first override price;

if a first override price is not received for the product, setting, by the processor, the final sale price to a default price; and

charging, at the end of the period of time, the final sale price to the customer.

27. The method of claim 26, wherein setting the final sale price comprises:

receiving a first override price;

comparing the first override price to a default price, wherein the first override price is less than the default price; and

setting the final sale price to the first override price.

29. The method of claim 26, wherein authorizing comprises affixing a product marker to the product.

31. A method comprising:

establishing an agreement with a customer, the agreement defining a period of time and a default price for a product,

wherein the customer is to provide payment of a final sale price of the product at the end of the period of time, the final sale price being either the default price or an override price that is received before the end of the period of time;

conveying, at the beginning of the period of time, the product to the customer;

receiving a first override price for the product;

replacing, by a processor, the default price with the first override price;

receiving a second override price for the product;

replacing, by the processor, the first override price with the second override price; and

completing, at the end of the period of time, a sale of the product using the second override price as final price by charging the customer for the final price.

32. The method of claim 31, wherein replacing the default price comprises:

comparing the default price with the first override price, wherein the first override price is less than the default price; and

setting the price of the product to the first override price.



33. The method of claim 32, wherein replacing the first override price comprises:

comparing the first override price with the second override price, wherein the second override price is less than the first override price; and setting the price of the product to the second override price.

34. A method comprising:

entering into an agreement to purchase a product, the agreement defining a period of time and a default price for the product,

wherein payment of a final price of the product is not due until the end of the period of time, the final price being either the default price or an override price that is received before the end of the period of time;

acquiring, at the beginning of the period of time, the product; communicating, via a computing device, to a seller a first override price; and

completing, at the end of the period of time, the purchase of the product using the first override price by providing payment of the first override price as the final price for the product.

35. The method of claim 34, wherein the default price comprises a seller-defined sale price and the first override price comprises a sale price less than the seller-defined sale price.

38. A computer-readable medium that stores computer-readable instructions configured to direct a processor to perform the method of claim 1.

39. A computer-readable medium that stores computer-readable instructions configured to direct a processor to perform the method of claim 12.

40. A computer-readable medium that stores computer-readable instructions configured to direct a processor to perform the method of claim 26.

41. A computer-readable medium that stores computer-readable instructions configured to direct a processor to perform the method of claim 31.

42. A computer-readable medium that stores computer-readable instructions configured to direct a processor to perform the method of claim 34.

53. A method, comprising:

receiving transaction information related to a customer who takes possession of a product from a seller before a final price for the product has been determined, the customer taking possession of the product subject to an agreement,

wherein the agreement defines a period of time and a default price for the product, and

wherein the agreement defines that the customer is to provide payment of the final price of the product at the end of the period of time, the final price being either the default price or an override price that is received before the end of the period of time;

determining, by a processor, a final price for the product; and

charging, at the end of the period of time, an account associated with the customer an amount based on the final price.

54. The method of claim 53, wherein said receiving, determining and charging are performed by a credit card issuer.

55. The method of claim 54, wherein said determining comprises:

receiving a first override price;

comparing the first override price with the default price; and

setting, based upon the comparison of the first override price with the default price, the final price to the first override price.

56. The method of claim 55, wherein said receiving the first override price comprises receiving the first override price from the customer.

**APPENDIX B – EVIDENCE**

<NONE>

Applications No. 09/409,041  
Technology Center 3600  
Attorney Docket No.: 99-030

*PATENT APPEAL*

## **APPENDIX C – RELATED PROCEEDINGS**

<NONE>